

BST provided daily inbound and outbound mail services to BSLD. These services included the pick-up and delivery of mail to and from other BellSouth entities as well as pick-up and delivery of mail to and from external entities. Pick-up and delivery occurs daily at BSLD's principal place of business, 32 Perimeter Center East, Atlanta, Georgia, 30346. These services were provided at fully distributed costs. The amount for these services totaled \$67,800. Services were provided from January, 1997 through August, 1997.

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**THE BELL SOUTH TELECOMMUNICATIONS
CLEARINGHOUSE OPERATING AGREEMENT FOR THE
BILLING & COLLECTION SERVICE PACKAGE**

PRINCIPAL DOCUMENT

This Billing & Collection Service Package Agreement (herein referred to as "Agreement") for Clearinghouse Customers is entered into by and between BellSouth Long Distance, Inc. (herein referred to as "BSLD"), a Georgia corporation, and BellSouth Telecommunications, Inc. (herein referred to as "BST"), a Georgia corporation, and is effective as of October 15, 1997.

WHEREAS, BST offers this Billing & Collection Service Package (herein referred to as "Services"), for intrastate services under Section E.8. of the state access service tariffs (herein collectively referred to as "State Tariffs") in BST's operating territory and offers interstate Services under this Agreement; and

WHEREAS, this Agreement and said State Tariffs give general descriptions of interstate and intrastate Services, respectfully, with established rates and charges, but there are also various interstate and intrastate Services for which the rates and charges are developed on an "individual case basis" ("ICB") so that the Services may be tailored to meet BSLD's needs; and

WHEREAS, BSLD desires to purchase BST's Services as a Clearinghouse Customer for the purpose of billing BSLD toll Messages and its Clients Messages;

NOW, THEREFORE, in consideration of the terms and conditions contained herein, BST and BSLD hereby covenant and mutually agree as follows:

1. DEFINITIONS

The definitions contained in the Glossary to Exhibit A shall apply to the entire Agreement.

2. SCOPE OF THIS AGREEMENT

A. This Agreement encompasses the following documents:

1. This principal document which sets forth the terms and conditions for the basic contractual relationship, and for the provisioning of home state and foreign state taxes for BSLD and Clients' Service charges;
2. Exhibit A which sets forth the terms and conditions governing the daily provisioning of Services to BSLD and Clients;
3. Exhibit B which sets forth the rates and charges for Services and Service features as

term of 12 months, with *Expanded Inquiry Service*, beginning with the effective date of this Agreement.

B. Upon termination of this Agreement by either Party, certain charges as specified in the State Tariffs and this Agreement may be applicable. This Agreement shall continue to apply to orders placed before this Agreement's termination throughout the remainder of the order period.

C. The Parties agree that after the initial 12-month term, this Agreement shall continue in full force and effect, until notice of termination is given as provided in Sections 23 & 24 or a new Agreement between the Parties becomes effective.

5. TRIAL OF SPECIFIED SERVICES

The Parties agree that due to uncertainties relating to various technical and operational feasibility and other business factors, the following Services are provided by BST to BSLD and Clients on a trial basis only for a period of 120 days from the effective date of this Agreement. At the end of the trial period BST will evaluate the technical, operational, and other business considerations pertaining to the trial of those Services in order to determine at that time whether and to what extent BST is willing to continue offering any or all of the Services covered by this Section. Before the end of the 120 day trial period, BST shall provide BSLD with a 30 day advance notice, in writing, of its intent to continue or decline provision of those Services. Likewise BSLD shall provide BST with a 30 day advance notice, in writing, of its intent to continue to receive or to decline such Services. Services governed by this section are set forth below:

1. Processing BSLD's Client Messages with a unique CIC or ABEC.
2. Changing BSLD and/or Clients' data in their EMI records; e.g., changing the charge amount in the record and summing DA and DACC service records so that one DA/DACC Message/charge prints on the bill page.
3. Customizing headings on both BSLD's clearinghouse bill page and non-clearinghouse bill page.
4. Printing text messages anywhere on BSLD's non-clearinghouse bill page.
5. Answering end-user questions regarding BSLD and/or Clients' rates and rate structures as they relate to charges on the bill.
6. Providing additional breakdown of BSLD's revenue and recourse moneys on the Settlements statement and data file.
7. Providing a non-standard Journal data file (i.e., Journal reporting customized for BSLD), and delivering such data file electronically to BSLD by the fifth business day of each month.
8. Allowing BSLD to perform more than one audit and one examination per 12-month period.
9. Provisioning the "I" column indicator with BSLD and/or Clients' net bad debt moneys.
10. Providing Bill/Rate Verification for Client charges.
11. Calculating and applying all applicable taxes to BSLD and Client service charges.

12. Translating BSLD and/or Client-provided English text into Spanish text, when requested by BSLD, for Spanish bills.

6. SERVICE DEPOSIT, PBA THRESHOLD, AND SETTLEMENT ALLOWANCE.

- A. In accordance with Exhibit A, Part One, Section 4., BSLD's Billing & Collection (B&C) Service Package cash deposit amount is \$150,000.00 at the time of Service establishment.
- B. In accordance with Exhibit A, Part Three, Section 15.5., in regard to BSLD and Clients' purchase of accounts receivable, the cumulative Post-Billing Adjustment Threshold percentage is 5%, per CIC and ABEC, at the time of Service establishment.
- C. In accordance with Exhibit A, Part Four, Sections 19.8. and 20.8., at the time of Service establishment BSLD's Settlement Allowance percentage is 5%, per CIC and ABEC, and shall be withheld for nine months beginning with the first Settlement.

7. PURCHASE OF ACCOUNTS RECEIVABLE

- A. As provided for in the State Tariffs and Exhibit A and as described in Appendix A, BST shall purchase from BSLD its accounts receivable who are also BST's end users subject to recourse. BSLD warrants that BSLD (1) has title to its accounts receivable purchased by BST, and/or (2) BSLD's Clients have the title to the accounts receivable purchased by BST and BSLD has the authority as agent for and on behalf of Clients, to sell and convey all such accounts receivable to BST free from any security interest therein or encumbrance thereof. BSLD and Clients agree or shall agree before sending any Messages to BST for processing, not to assign, transfer, sell, exchange, give, or grant any security interest in the accounts receivable to any other entity or person, and any such grant assignment, transfer, sale, exchange, or gift is null and void.

8. TREATMENT AND COLLECTION

In collecting amounts due for BSLD and Clients services, BST shall use the same treatment, collection, and (where authorized by the appropriate regulatory authority) denial of service procedures as BST uses for its own services.

9. TAXES

A. *Taxes and Surcharges*

All Taxes including, but not limited to, federal, state or local sales, uses, excise, gross receipts or other receipts, or other taxes or tax-like fees (including tariff surcharges) imposed on or with respect to BSLD's services, excluding however, ad valorem property taxes, state and local privilege and license taxes based on gross revenue, taxes measured by net income, and any taxes or amounts in lieu of the foregoing excluded items, are hereinafter collectively referred to as "Tax" or "Taxes", unless otherwise specifically named.

B. *Taxes -- Billing & Collection Service Package*

1. For the B&C Service Package, BST shall compute, bill to, and collect from its end users applicable Taxes, including Foreign state taxes, and remit such Taxes to BSLD through the Purchase of Accounts Receivable process. BST shall use the same tax practice and procedures (including exemption procedures) to apply Taxes on similar or comparable BST services, unless notified in writing by BSLD to do otherwise. BST shall implement any legislated tax law or tax rate changes into its procedures as required by applicable tax law for services billed by Company. BSLD shall give BST instructions for application of Taxes for new services in the form of an Open Billing Request ("OBR"). BSLD shall provide BST with written notification of any taxes and/or taxing requirements that may apply to it and not to BST, including, but not limited to, those taxes and/or taxing requirements covered by agreements with the taxing authority(ies).
2. BST shall furnish to BSLD, on a timely basis, all information and reports in its possession reasonably necessary for BSLD to file its Tax returns within the applicable filing period, according to the format and delivery schedules outlined in Appendix A, and BST's operating procedures. BSLD may request modifications to BST tax reporting via an OBR. BSLD shall be responsible for filing all returns for all of its such Taxes to the applicable taxing authorities; BST shall have no responsibility for filing BSLD Tax returns or paying its Taxes to the taxing authorities.
3. BST shall use the same tax exemption status with respect to BSLD's end users as it does for its own end users, and, when requested by BSLD, furnish copies of such information as may be in its possession regarding tax exemptions of end users. BST shall maintain information regarding tax exemption status of BSLD's end users in a reasonable, accurate, and complete manner. End-user status information shall be maintained by BST in the same manner as it would maintain records for its own end users. BSLD may review information relating to end-user Tax exemption status and request that BST change Tax exempt status with respect to BSLD's services as mutually agreed upon by the tax departments of both companies.
4. BST is responsible for implementing any legislated Tax rate changes on Taxes currently being charged to end users on BSLD's behalf which are also being billed for BST's end users.
5. BSLD has the right to review BST's tax procedures and supporting documentation, and BST shall supply BSLD with such documentation upon request by BSLD at a mutually agreeable location. BSLD may request BST to change its tax procedures with respect to applying and billing Taxes via an OBR.
6. BST shall not remit Taxes to BSLD when it is not able to do so as a result of legal restrictions; however, BSLD reserves the right

- to challenge such determination.
7. BST shall not be entitled to retain or receive any statutory fee or share of Taxes that the person collecting or remitting such Taxes is entitled under applicable law.
 8. BST, as directed by BSLD, shall be responsible for calculating and billing any foreign states' taxes associated with a jurisdiction where the call originates in a state other than the billing state or where BST local jurisdiction information is not available.
 9. All communications with taxing authorities regarding Taxes applicable to BSLD shall be the responsibility of BSLD.
 10. BSLD understands and agrees that BST is merely providing a service with respect to the collection of Taxes hereunder.
 11. BSLD shall file all Tax returns and pay or remit all such Taxes to the imposing authority.
 12. BST service contact representatives shall accept and resolve end-user BSLD Tax inquiries in accordance with its existing service procedures.

C. Taxes -- Indemnity and Recourse

1. BST agrees to pay and hold BSLD harmless from and defend, at BST expense, BSLD from and against any liability or loss resulting from Taxes, penalties, interest, additions to Tax surcharges, or other charges or payable expenses (including reasonable attorney's fees) incurred by BSLD as a result of the willful misconduct or gross negligence of BST to accurately calculate and bill Taxes as instructed by BSLD. Such indemnity shall be provided to BSLD on an after tax basis.
2. BSLD shall indemnify, hold harmless, and defend (at BSLD's expense) BST from and against any liability or loss resulting from any Taxes, penalties, interest, additions to Tax surcharges, or other charges or payable expenses (including reasonable attorney's fees) incurred by BST as a result of:
 - a. BSLD's failure to pay any Tax or file any return or other information as required by law or this Agreement; or
 - b. BST complying with this Agreement or with any determination or direction by or advice of BSLD provided in writing by BSLD or BST correctly using this information provided in writing by BSLD in performing any Tax-related service hereunder; or
 - c. BST acting or failing to take any action with respect to any Tax which is the subject of the Agreement.

Such indemnity shall be provided to BST on an after tax basis.

3. Notwithstanding the above, such indemnity is conditioned upon BST providing BSLD or BSLD providing BST with notice (which

notice shall be given allowing the Party time to file a response, but in no event more than 10 business days of receipt of assessment) of any assessment of any additional Taxes, penalties or interest due with respect to this Agreement. BST shall receive a copy of all filings in any such preceding, protest or legal challenge, all rulings issued in connection therewith and all correspondence between BSLD and the taxing authority.

4. If BSLD disagrees that any Taxes are payable by BST, disagrees with an assessment of any additional Taxes, penalties, interest, additions to tax surcharges, or other charges or payable expenses due by BST as a result of BST's billing to BSLD for services under this Agreement, BSLD shall, at its option and expense (including, if required by a taxing authority, payment of such Tax, penalty and interest before final resolution of the issue) have the right to seek administrative relief, a ruling, judicial review (in a manner deemed appropriate by BSLD) as to the applicability of any Tax, penalty or interest, or to protest any assessment and direct any legal challenge filed with the Internal Revenue Service or in a court of Law, and shall be liable hereunder for any such assessment amount ultimately determined to be due.
5. Any legal proceeding or any other action with respect to BST and with respect to any asserted liability or additional Taxes due by BST shall be under BST's direction, but BSLD shall be consulted. Any legal proceeding or any other action with respect to BSLD and with respect to any asserted liability of additional Taxes due by BSLD shall be under BSLD's direction, but BST shall be consulted. In any event, both Parties shall fully cooperate with each other as to the asserted liability. BSLD shall bear all the costs of any such action undertaken at its specific request. BST shall bear the costs of any such action undertaken absent such a request from BSLD.

D. Taxes -- Gross Receipts Taxes

BST is billing BSLD's revenues for a specific fee. BST shall not report these billings as its own receipts for gross receipts tax purposes or any other tax purpose.

E. Taxes -- Associated with B&C Service Charges

Should any federal, state or local jurisdiction determine that sales, uses, gross receipts or other receipts, or any other taxes (including interest, penalties and surcharges thereon) are due by BST as a result of BST's provision of Services and such taxes are placed in effect and have not been billed by BST or paid by BSLD, BST shall advise BSLD and begin billing BSLD for such taxes, interest, penalties and surcharges, and BSLD shall immediately reimburse BST for the amount of such taxes, interest, penalties and surcharges paid by BST. BSLD shall, at its option and expense, including immediate payment of any such assessment, have the right to seek a ruling as to the inapplicability of any such tax or to protest any

assessment and participate in any legal challenge to such assessment, but shall be liable for any tax, penalty, surcharge and interest ultimately determined to be due.

10. PROVISION OF BSLD AND/OR CLIENT INFORMATION TO COURT, REGULATORY BODY, OR GOVERNMENT AGENCY

If a court, regulatory body, and/or government agency, having jurisdiction over BST, requests BST to provide to them records, data files, and/or other information pertaining to BST's Services and/or its customers' service(s) (i.e., billing records or revenue), BSLD agrees to assist BST, to the full extent of its ability, in providing said data and/or information to the requesting party. Furthermore, when a subpoena, notice, demand, or inquiry eliciting such data and/or information is served to BST by a court, regulatory body, or government agency, the Parties agree to consider the service to BSLD and Clients as well. BST shall notify BSLD, via a telephone call, of service within 24 hours of receipt.

11. CONFIDENTIALITY AND PUBLICITY

A. All business-sensitive and competitive information which is marked as such and which is disclosed by BSLD or BST to the other Party during the negotiation of this Agreement, as well as information generated during the performance of the Services contemplated herein, are proprietary and confidential to the disclosing Party and shall not be disclosed to a third party. Also, neither Party shall use information except to perform duties pursuant to this Agreement. Each Party shall use the same standard of care to protect such information of the disclosing Party as it uses to protect its own similar confidential and proprietary information unless such information was previously known to such Party free of any obligation to keep it confidential, or has been or is subsequently made public by the disclosing Party or a third party.

B. Unless otherwise required by applicable law or regulatory agency, each Party agrees that it shall not, without prior written consent of the other Party, make any news release, public announcement, or denial or confirmation of the whole or any part of their Agreement which names the other Party, or an affiliated BST of the other Party except that BSLD may inform Clients about the Parties' relationship and describe the provisions set forth herein which affect Clients, for the Clients internal circulation only.

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Workbrief Agreements Regarding AIN Applications

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Transactions Between
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Telecommunications, Inc.
and BellSouth Long
Distance Inc.

Filings and Positions

Service: Proprietary Calling Card
 Client: Interconnection Services for BellSouth Long
 Distance
 AVP: Scott Schaefer
 Director Randy Kincaid
 BSLD: Francine Pafumy
 Bob Gray
 Business Pat Cowart - (404)249-529-039
 Dev: Camilla Thomas-Jackson - (770) 352-3044
 Service George Grier - (404)429-3662
 Concept:
 BST
 Proj.
 Mgr.:

Scope of Work: To work with BellSouth Long Distance (BSLD) to conduct a technical trial of the BSLD Proprietary Card (PCC). The trial will include developing the PCC application, supporting application provisioning through use of an SMS and testing the application through a trial with no more than 300 friendly users for no more than three months.

Success Criteria:

- All network and system elements are fully integrated and capable of validating PCCs by 4/1/97.
- SMS will be able to receive and download PCC information by 4/1/97.
- Fraud control features working by 4/1/97.

Schedule: Milestones/Deliverables:

- Decision Package Signed - 11/25/96
- SPA development complete - 02/03/97
- Load Beta SPA in MTE SCP - 03/17/97
- Load final SPA in MTE SCP - 03/31/97

Cost
Estimate:

- The total estimated incremental AIN cost for the technical trial is \$467,744. (\$154,098 credited from previous DP).
- Details of the estimate is located in the Financial section of this document.
- Total BSLD cost is now \$799,852 from BST (consulting from previous DP at \$178,013 and \$621,839 for this technical trial.

Risks/Contingencies:

- Lucent middleware may not be available in time to complete testing for 4/1/97 service date.
- Lucent middleware may not work on the MTE version of the SCP.
- Services currently scheduled for the MTE during 1Q97 and 2Q97 may be impacted by this effort and vice versa.
- The "intelligence" of the PCC PIN format.
- The ability of Teltrust to provide the functions of the Restricted Number calling feature.
- 0+ originated traffic is not supported by the trial.
- Service measurement needs for the trial.
- Fraud control needs.
- Reporting needs for the trial.
- The Genesys/SMS interface.

Funding The full amount will be billed to BellSouth Long Distance.

Approved: randy Kincaid
Director
Interconnection Services
/d/ 11/25/96

Hamilton Gray
Senior Director
BSLD
/d/ 1/25/96

Brenda Rayburn
Director-Business Development
AIN IBU
/d/ 11/25/96

Francine Pafumy
Senior Director
BSLD
/d/ 11/25/96

WORKBRIEF

Client BellSouth Long Distance (BSLD)
Service AIN IBU
Provider:
Scope of Work: Provide Research Manager one-half time and two full time equivalent headcount for six months from November 12, 1996 through may 12, 1997 to work with BellSouth Long Distance to provide the stated deliverables. One and half full time employees to be collocated at BSLD offices.
Deliverables: CARD
Work with BSLD:

- On the production of BSLD's Business Service Description
- To evaluate architectural alternatives to realize the service
- Production of the detailed technical specifications
- Produce project schedule

GENERAL
Work with BSLD:

- To produce an overall BSLD AIN architecture document by 12/15
- On establishing an overall AIN service delivery approach

Contingencies:
Cost: \$332,111. This full amount will be billed to BellSouth Long Distance.
Funding:
Approved: Francine Pafumy
Senior Director
BSLD
/d/ 11/12/96

Hamilton E. Gray
Senior Director
BSLD
/d/ 11/12/96

Peter Hill
Executive Director
AIN IBU
/d/ 11/12/96

This amendment to the Workbriefs by and between BellSouth Telecommunications, Inc. ("BST") and BellSouth Long Distance, Inc. ("BSLD"), as described below, shall be made and effective as of the 14th day of February, 1997.

The above parties hereby agree that the following changes shall be made to the Workbriefs;

WHEREAS BST and BSLD entered into two Workbriefs, the first

Workbrief dated November 12, 1996 was for the development of an AIN architecture including production of detailed technical specifications (Workbrief 1) and the second Workbrief dated November 25, 1996 was to assist in the development of and testing of an AIN network (Workbrief 2); and

WHEREAS the parties desire to limit the obligations of both parties set forth in Workbrief 1 and Workbrief 2;

NOW THEREFORE, in consideration of the mutual covenants set forth below, the parties hereby amend Workbrief 1 and Workbrief 2 as follows:

1. The services set forth in Workbrief 1 shall be limited only to the development of an AIN architecture document and a document setting forth the evolution of the AIN architecture;
2. The services set forth in Workbrief 2 shall be limited to the initial development of software for a Proprietary Calling Card Service Package Application ("SPA");
3. BST shall perform the work described in paragraphs one and two of this Amendment for the fully distributed costs of said work in the amount of \$80,000;
4. The parties agree that all other obligations of both parties set forth in Workbrief 1 and Workbrief 2 shall be rescinded.

WHEREFORE, the parties have caused that they are duly authorized representatives to execute this amendment.

By:

BellSouth Telecommunications, Inc. BellSouth Long Distance, Inc.

Title

Title

Signature

Signature

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**BELLSOUTH TELECOMMUNICATIONS FRAUD
MANAGEMENT SERVICES MARKET TRIAL
AGREEMENT**

This Fraud Services Trial Agreement is entered into by and between BellSouth Long Distance, Inc. (herein referred to as "BSLD"), a Delaware corporation, and BellSouth Telecommunications, Inc. (herein referred to as "BST"), a Georgia corporation, (collectively "the Parties"), this 15 day of October 1997. (Effective date will be the date the agreement is signed by both parties and will be added at that time).

WHEREAS, BSLD desires to obtain Fraud detection, monitoring and investigation services for the purpose of managing BSLD network access; and

WHEREAS, BST is willing to offer Fraud Management services under this Trial Agreement;

NOW, THEREFORE, in consideration of the covenants and undertakings herein contained and the mutual benefits to be derived herefrom, the Parties hereto agree as follows:

1. TERM OF AGREEMENT

A. The term of this Trial Agreement shall be from October 15, 1997 to January 15, 1998.

It is understood by BST and BSLD that regulatory action may supersede the terms and conditions of this Agreement.

B. Trial Assessment

Due to uncertainties relating to certain technical and operational feasibility and other business factors, this Agreement is being entered into for a trial period only. Both parties will agree to continue discussions to define permanent business requirements at which time these permanent long-range business requirements will be added as an appendix to any permanent agreement. At the end of the trial period, BST will evaluate the technical, operational, and other business considerations pertaining to this trial arrangement, in order to determine at that time whether and to what extent BST is willing to continue in any or all of the arrangements covered under the Trial Agreement. Prior to the termination of this Trial Agreement, BST shall provide BSLD with notice of its intent to continue or decline provisioning Fraud Management Services. Such notice shall be given no later than thirty (30) days prior to the end of this Trial Agreement. BSLD shall likewise notify BST within a thirty (30) day timeframe of its intent to decline BST Fraud Management Services or its desire to enter a long-term agreement.

2. LIMITATION OF LIABILITY

Notwithstanding any other provision of this agreement to the contrary, each Party's liability to the other under this trial agreement will be limited to the actual damages sustained as a result of a Party's breach of contract or negligent, reckless, or willful misconduct. In no event will either Party be liable to the other for any special, incidental, consequential, punitive, or exemplary damages of any kind.

Fraud will be 100 percent recoured back to BSLD.

3. FRAUD MANAGEMENT SERVICE

A. Fraud Detection Service

Fraud detection is provided by the Regional Fraud Control Center (RFCC) twenty-four hours a day, seven days a week. BST will provide fraud detection functions based on specifically defined BSLD standards. Investigations will be performed utilizing methods, procedures and standards mutually agreed upon by BST and BSLD. Subscription fraud investigation will be provided by BST utilizing the same methods and procedures as for its other Carrier Customers.

B. Monitoring and Investigation Activities

Monitoring of BellSouth Long Distance Proprietary Calling Card Alerts:

Upon receipt of a BSLD fraud alert, BST shall investigate and if applicable, attempt to reach the calling card customer by phone to verify their usage. If BST is unsuccessful in reaching the customer, a voice message shall be left, or a standard letter mailed to the billing address advising the customer of the high usage and requesting the customer to contact BST. Based on response from the BSLD calling card customer, the card may continue to be used. Based on results of the investigation and/or if fraud is suspected, BSLD authorizes BST to deactivate the PIN or change the PIN code using its existing methods and procedures for detection and investigation of card related fraud matters as BST currently uses in managing its own calling card related services.

C. BSLD Fraud Tracking Reports

These reports will be generated for BSLD based on detailed specifications and requirements provided by BSLD prior to BST's provision of service in this trial. If additional work is required for BST to begin the work to generate a requested report(s), BST may authorize the work at a charge to BSLD.

4. SERVICE ENHANCEMENTS

BSLD at any time during the trial may request service enhancements which BST will analyze to determine the feasibility and costs of implementing. If BST determines the change(s) can be made, BST may authorize implementation of the required changes(s). These requests shall be analyzed and billed on an Individual Case Basis (ICB) and will be communicated through the BSLD Account Team.

5. RATES AND SETTLEMENT

When executed by BSLD, this agreement will serve as authorization for BST to begin implementation activities, subject to forthcoming detailed specifications from BSLD for fraud detection/investigation services. The proxy price for these services shall be as follows:

- One-Time Service Establishment charge -- \$ 153,000.00

This charge shall be billed to BSLD upon initiation of the Market Trial

- Investigation Activity -- \$ 18.25

This per investigation charge shall be billed to BSLD on a monthly basis

- Activity Reporting -- 85.00*

This recurring charge shall be billed to BSLD on a monthly basis

- One-Time Cheetah Development Charge -- \$ 14,690.00

This charge shall be billed to BSLD as an ICB upon completion of the work

- Monthly maintenance fee for Cheetah reporting \$ 118.75*

This recurring charge shall be billed to BSLD on a monthly basis

****These charges shall be combined under the Activity Reporting sub-section via the rate element Monthly Cheetah Reporting.***

All charges will be journalized as Interstate. These charges are subject to change per BST's completion of costs analysis; at such time BSLD shall be billed retroactively from the execution date for any shortfall or credited for any overpayment for the rates paid during this Trial Agreement. BSLD and BST will then negotiate whether and to what extent they wish to pursue any permanent arrangement based on the final rates and charges. The final price will be developed by BST based on a comprehensive business analysis and will represent a "fair market value" that will be deemed by BST to be appropriate for federal regulatory accounting rule compliance. Assuming the parties mutually agree to continue the relationship under the final pricing arrangement the parties will alter this Agreement accordingly, and execute a permanent agreement at that time.

IN WITNESS WHEREOF, each of the Parties has made and caused this agreement to be duly executed for it and on its behalf by its authorized representative to be effective the date of the last signature hereto the "Effective Date".

BELLSOUTH TELECOMMUNICATIONS, INC.:

By: _____

(Printed Name of Signatory)

(Title)

BELLSOUTH LONG DISTANCE, INC.:

By: _____

(Printed Name of Signatory)

(Title)

AMENDMENT NO. 1

The following is Amendment No. 1 to the BellSouth Telecommunications Fraud Management Services Market Trial Agreement effective October 12, 1997 ("Agreement") between BellSouth Telecommunications, Inc., ("BST") and BellSouth Long Distance, Inc., (BSLD). The Agreement is hereby amended as follows:

1. Section I., Term of Agreement, is stricken in its entirety and is amended to read:

"The term of this Trial Agreement shall begin on the commencement date and shall end five full months thereafter. In the event the trial begins in the middle of the month, the five month period shall begin on the first day of the following month. It is understood by BST and BSLD that regulatory action may supersede the terms and conditions of this Agreement."

2. In all other respects, this Agreement shall remain unchanged and in full force in effect.

3. This Amendment shall be effective when executed by authorized representatives of both parties.

4. The parties hereto acknowledge that they have read this Amendment, understand and agree to be bound by its terms and conditions. They further agree that the above described Agreement together with this Amendment No. 1 constitutes the entire agreement between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized representatives in one or more counterparts, each of which shall constitute an original, on the dates set forth below.

BELLSOUTH TELECOMMUNICATIONS, INC. BELLSOUTH LONG DISTANCE, INC.

By: _____ By: _____
(Signature) (Signature)

Name: _____ Name: _____
(Print Name) (Print Name)

Title: _____ Title: _____

Date: _____ Date: _____

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Facility Use Agreement

This Facility Use Agreement (hereinafter "Agreement") is effective as of June 30, 1997, between BELLSOUTH TELECOMMUNICATIONS, INC., a Georgia corporation, (hereinafter "BST") located at 1884 Data Drive, Birmingham, Alabama 35244 Attention: Director - Trans/Switching Product Evaluations and BELLSOUTH LONG DISTANCE, INC. a Delaware corporation (hereinafter "Company") with offices located at 32 Perimeter Center East, Atlanta, Georgia 30346 Attention: Dave Craig.

WITNESSETH

WHEREAS, BST and Company now desire to enter an agreement whereby the Company would be contracting for testing services provided out of a facility of BST's located at 1884 Data Drive, Birmingham, Alabama 35244, all on the following terms and conditions.

NOW, THEREFORE, for good and valuable consideration and under the terms and conditions of this Agreement, the parties mutually agree as follows:

1. SCOPE

The facilities, test configurations, test equipment, documentation and testing activities provided by BST staff (hereinafter "Services") provided under this Agreement is defined and described in Appendix A hereto, and shall include only those items specified therein. Services as listed in Appendix A may be modified from time to time as provided for in the section "EXHIBITS" herein.

2. TERM OF AGREEMENT

A. The term of this Agreement shall commence on the date the Agreement is executed by Company and shall, except as otherwise provided herein, continue in effect thereafter for two years inclusive.

B. This Agreement however may be terminated at any time by either party, with or without cause, upon at least 30 days prior written notice to the other party.

C. BST, at BST's sole option, may suspend the Services provided under this Agreement at any time if the Services provided under this Agreement are required to facilitate the identification of or repair of a service problem affecting BST's network.

3.SERVICES AND FEES

Services as used herein shall mean those various services and resources furnished by BST and specified in the attached AppendixA. Billable Fees for the Services supplied by BST to Company under this Agreement shall be as listed in AppendixB.

4.CHARGES, DELIVERY AND INVOICING

A.BST shall invoice Company within thirty (30) days of the end of each calendar quarter for the amount due to BST for the Services supplied by BST.

B.Applicable charges for Services provided by BST (herein "Fees") applicable to the Services shall be those listed in AppendixB hereto. Company shall pay BST the Fees specified in AppendixB for the Services provided under the terms of the Agreement.

C.In the event of a suspension of Services as provided under paragraph 2.C. herein, if appropriate, Fees shall be adjusted to allow Company to restart testing from a mutually agreeable test check point. Company will not be charged Fees for Services not usable during Services suspension.

D.In the event of a suspension of Services for three (3) months or termination of this Agreement as provided under paragraph 2.B. herein, if appropriate, Company will be charged a Fees for Services rendered. Fees charged under this paragraph shall not exceed total Fees listed in Appendix B.

E.Upon the completion of the Agreement, BST shall provide to Company pertinent data pertaining to the Services rendered hereunder. Such data shall be the property of Company and Company shall have the right to use and distribute this data as it deems necessary.

F.All invoices shall be payable by Company in U.S. dollars, and shall be due within thirty (30) days of receipt by Company, but in no case to exceed forty-five (45) days from the date of invoice.

5.FACILITY RULES

Company's employees, agents and representatives shall, while on the premises of BST, comply with all BST's applicable security provisions, rules and regulations. In addition, the Company will not interfere with any of BST's operations during the term of this Agreement. If a violation of this section is found to have occurred and is deemed material by BST, BST may then immediately cancel this Agreement.

At BST's request, Company shall promptly remove from BST's premises any employee or agent of Company to whom BST does not wish to grant access to its premises, or who, in BST's opinion, has been unacceptable, negligent, dishonest, or otherwise unsatisfactory in performing his/her duties hereunder. Such a request for removal from BST's premises shall in no way be interpreted as a request by BST for Company to discipline the employee or agent.

6.BST'S/COMPANY INFORMATION

All BST's specifications, property, drawings, sketches, schematics, models, samples, tools, computer or other apparatus programs, technical or business information or data, written, oral, or otherwise (all hereinafter designated "BST's Information") obtained by Company hereunder or in contemplation hereof shall remain BST's property. All copies of such BST's Information in written, graphic, or other tangible form shall be returned to BST upon request. Unless such BST's Information was previously known to Company free of any obligation to keep it confidential, or has been or is subsequently made public by BST, or made public lawfully by a third party, it shall be kept confidential by Company, shall be used only in performing under this Agreement, and may not be used for other customers or purposes except upon such terms as may be agreed upon between BST and Company in writing.

No Company's specifications, drawings, sketches, schematics, models, samples, tools, computer or other apparatus programs, technical or business information or data, written, oral or otherwise (hereinafter "Company's Information"), furnished by Company to BST under this Agreement, or in contemplation of this Agreement, shall be considered by Company to be confidential or proprietary, unless otherwise agreed to by BST and Company in writing.

7.COMPLIANCE WITH LAWS

Company shall comply with the provisions of all applicable federal, state, county and local laws, ordinances, regulations, and codes including, but not limited to, Company's obligations as an employer with regard to the health, safety and payment of its employees, and identification and procurement of required permits, certificates, approvals, and inspection in Company's performance of this Agreement. Company shall indemnify BST for, and defend BST against, any loss or damage sustained because of Company's noncompliance with the provisions stated herein.

8.ASSIGNMENT

This Agreement is not assignable by Company without the prior written consent of BST, and any attempt to assign any of the rights, duties or obligations of this Agreement without such consent is void. BST shall have the absolute right, subject to any applicable laws or regulations, to assign this Agreement to BellSouth Corporation or to any direct or indirect subsidiary of BellSouth Corporation upon written notice to Company.

9.INSURANCE

Company, at Company's expense, shall maintain during the term of this Agreement, all insurance, including self insurance, and/or bonds required by law or this Agreement, including but not limited to: (1) adequate Worker's Compensation and related insurance as required by BST and prescribed by the law of any state in which the work is to be performed, (2) employer's liability insurance with limits of at

least \$1,000,000 each occurrence, and (3) commercial general liability insurance, including contractual liability, products liability and completed operations coverage, and, if the use of motor vehicles is required, comprehensive motor vehicle liability insurance, each with limits of at least \$1,000,000 for bodily injury, including death, to any one person, and \$1,000,000 on account of any one occurrence and \$1,000,000 for each occurrence of property damage. Company shall, prior to the start of work and upon the renewal of each coverage required herein, furnish certificates of insurance or adequate proof of the foregoing insurance to BST.

Company shall also require its agents or subcontractors, if any, who may enter upon BST's premises to maintain the insurance coverage required herein, and to furnish BST certificates of insurance or adequate proof of such insurance.

All policies required herein shall be maintained with insurance acceptable to BST. BST retains the right to disallow coverage from any insurer that does not maintain a rating from A.M. Best Company of B+ X or higher.

10. INDEMNITY

Company agrees to indemnify and hold BST harmless from any liabilities, causes of action, lawsuits, penalties, claims or demands (including the costs, expenses and reasonable attorneys' fees on account thereof) that may be made: (1) by anyone for injuries of any kind, including but not limited to personal injury, death, property damage and theft, resulting from Company's negligent or willful acts or omissions or those of persons furnished by Company, its agents or subcontractors or resulting from use of Company's material, services or software; or resulting from Company's failure to perform its obligations hereunder; or (2) by any employee or former employee of Company or any of its agents or subcontractors for which the Company's, its agents' or subcontractors' liability to such employee or former employee would otherwise be subject to payments under the state Worker's Compensation or similar laws. Company, at its own expense, agrees to defend BST, at BST's request, against any such liability, cause of action, lawsuit, penalty, claim, or demand. BST agrees to notify Company promptly of any written claims or demands against BST for which Company is responsible hereunder. The foregoing indemnity shall be in addition to any other indemnity obligations of Company set forth in this Agreement.

11. LICENSES

Except as otherwise provided in this Agreement, no licenses under any patents, copyrights, trademarks, trade secrets or any other intellectual property, express or implied, are granted by BST to Company or by Company to BST under this Agreement.

12. INDEPENDENT CONTRACTOR RELATIONSHIP

In performing their obligations, the parties are acting as independent contractors and not as agents of one another. Neither party shall have the authority to

extend, obligate or bind the other party to services or responsibilities other than those specifically assented to in writing and each shall be solely responsible for the acts of its own employees, representatives and agents. All persons furnished by Company shall be for all purposes solely the Company's employees or agents and shall not be deemed to be employees of BST for any purpose whatsoever. Company shall be solely responsible for compliance with all rules, laws, and regulations relating to employment of labor, hours of labor, working conditions, payment of wages, and payment of taxes, such as employment, social security, and other payroll taxes, including applicable contributions from such person when required by law.

13. DEFAULT/CANCELLATION

In the event either party shall be in breach or default of any of the terms, conditions, or covenants of this Agreement, and such breach or default shall continue for a period of ten (10) days after giving of written notice to the defaulting party by the non-defaulting party, then in addition to all other rights and remedies of law or equity or otherwise, the non-defaulting party shall have the right to cancel this Agreement without any charge, obligation, or liability whatsoever.

14. DISCLAIMERS AND LIMITATION OF LIABILITIES

BST'S SOLE OBLIGATION UNDER THIS AGREEMENT IS TO PROVIDE SERVICES AS HEREIN PROVIDED, AND COMPANY HEREIN AGREES THAT THERE ARE NO WARRANTIES NOR REPRESENTATIONS, EXPRESS OR IMPLIED, MADE BY BST HEREIN, AND BST NEITHER ASSUMES NOR AUTHORIZES ANY OTHER OBLIGATION OR LIABILITY. BST SHALL NOT BE LIABLE AND COMPANY WAIVES ALL CLAIMS AGAINST BST FOR LOST PROFITS, LOST SAVINGS OR OTHER SUCH DAMAGES, INCLUDING WITHOUT LIMITATION SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR IN CONNECTION WITH BST'S FAILURE TO PERFORM ITS OBLIGATIONS HEREUNDER. BST'S LIABILITY TO COMPANY FOR DAMAGES FROM ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, SHALL BE LIMITED TO THE AMOUNT OF MONEY PAID TO BST FROM COMPANY FOR THE SERVICES PROVIDED HEREIN.

BST SHALL NOT BE LIABLE TO COMPANY FOR ANY LOSS, DAMAGE OR INJURY TO PERSONS OR PROPERTY WHILE THE COMPANY IS ON THE PREMISES OF BST UNLESS CAUSED BY THE NEGLIGENCE OR INTENTIONAL ACTS OF BST.

15. THIRD PARTY APPROVALS

This Agreement may be subject to the approval, at any time, of the federal courts, the U. S. Department

of Justice or state and federal regulatory agencies having jurisdiction over BST or its associated companies. It is understood that BST may seek such approval should it determine that such approval is necessary. It is understood and agreed that the Agreement may be terminated at any time by an order of any such government authority. It is further understood that this Agreement shall at all times be subject to such changes or modifications that any of the aforementioned authorities may from time to time direct in the exercise of their jurisdiction. If any such modification materially alters either Company's or BST's rights or obligations hereunder, either party may, upon ten (10) days prior written notice, terminate this Agreement.

16.PUBLICITY

Company agrees to submit to BST all advertising, sales promotion, press releases, and other publicity matters relating to this Agreement or mentioning or implying the trade names, logos, trademarks or service marks (hereinafter "Marks") of BellSouth Telecommunications, Inc. and/or any of its affiliated companies or language from which the connection of said Marks therewith may be inferred or implied, or mentioning or implying the names of any personnel of BellSouth Telecommunications, Inc. and/or any of its affiliated companies, and Company further agrees not to publish or use such advertising, sales promotions, press releases, or publicity matters without BST's prior written consent. Company is solely responsible for obtaining the rights to use any marks of a non-party to this Agreement.

17.FORCE MAJEURE

Neither party shall be in default by reason of any failure in performance of this Agreement, in accordance with its terms and conditions, if such failure arises out of causes beyond the control of either party including, but not restricted to, acts of God, acts of government, insurrections, fires, floods, accidents, epidemics, quarantines, restrictions, strikes, freight embargoes, inability to secure raw materials or transportation facilities, acts or omissions of carriers or any and all other causes beyond the control of either party.

18.NOTICES

A. Any payment, statement, notice, request or other communication hereunder shall be deemed to be sufficiently given to BST and any delivery hereunder deemed made when sent by certified mail addressed to BST at its offices specified below or at such changed address as BST shall have specified by written notice to Company.

BellSouth Telecommunications, Inc.
c/o Director - T/SPE
1884 Data Drive Birmingham, Alabama 35244

Notices of a legal nature shall be copied to:

BellSouth Telecommunications, Inc.
Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375

Attn: General Attorney - Contracting

B. Any invoice, statement, notice, request or other communication hereunder shall be deemed to be sufficiently given to Company and any delivery hereunder deemed made when sent by certified mail addressed to Company at its offices specified in Appendix A hereto or at such changed address as Company shall have specified by written notice to BST.

19.SURVIVAL OF OBLIGATIONS

Any respective obligations of BST and Company hereunder which by their nature would continue beyond the termination, cancellation or expiration of this Agreement, including, by way of example, but not limited to, the obligations provided in the sections "INDEMNITY", "DISCLAIMERS AND LIMITATION OF LIABILITIES", "BST'S/COMPANY INFORMATION", and "PUBLICITY" shall survive such termination, cancellation or expiration.

20.CONFLICT OF INTEREST

Company stipulates that no officer or employee of BST has been employed, retained, induced, or directed by Company to solicit or secure this Agreement with BST upon agreement, offer, understanding, or implication involving any form of remuneration whatsoever. Company agrees, in the event of an allegation of substance (the determination of which will be solely made by BST) that there has been a violation hereof, Company will cooperate in every reasonable manner with BST in establishing whether the allegation is true. Notwithstanding any provisions of this Agreement to the contrary, if a violation of this provision is found to have occurred and is deemed material by BST, BST may then immediately cancel this Agreement.

21.CHOICE OF LAW

The validity, construction, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of Georgia.

22.INCORPORATION BY REFERENCE

Appendices A and B, referred to in this Agreement and attached hereto, are integral parts of this Agreement and are fully incorporated herein by this reference.

23.WAIVER

No terms or provisions herein shall be waived and no breach or default excused, unless such waiver or consent is in writing and signed by the party to which it is attributed. No consent by a party to, or waiver of, a breach or default by the other party whether expressed or implied, shall constitute a consent to, or waiver of, any subsequent breach or default.

24.BINDING EFFECT

This Agreement shall be binding upon the parties

hereto and their respective successors and permitted assigns.

25.SEVERABILITY

If any term, provision, covenant or condition of this Agreement is held invalid or unenforceable for any reason, the remainder of the provisions shall continue in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated.

26.CUMULATIVE REMEDIES

All remedies provided in this Agreement are cumulative, and election of one shall not be construed as a waiver of any other rights or remedies available under this Agreement, at law, or in equity.

27.CAUSES OF ACTION

No action, regardless of its form, arising out of this Agreement, may be brought by either party more than one (1) year after the cause of action has arisen, or, in the case of an action for nonpayment, more than two (2) years from the date the last payment was due.

28.REPRODUCTION OF DOCUMENTATION

Both parties agree to reproduce and include any of the other party's copyright, trademark or proprietary notices, or any like notices, on all copies of the documentation containing such notices, made pursuant to this Agreement.

29.EXHIBITS

It is understood by the parties that additional exhibits may be mutually developed covering the Services provided under this Agreement. Once an exhibit is approved, the parties agree to then initial, date and attach said exhibit to this Agreement.

30.INTELLECTUAL PROPERTY RIGHTS

Company acknowledges that BST's performance of Services specified in Appendix A does not include the disclosure by BST employees of modifications or improvements to Company's products. If BST employees disclose modifications or improvements to Company's products that are later incorporated into Company's products causing the value of such products to increase from the value of such product prior to the improvement or modification thereof, then Company grants to BST an unrestricted, royalty-free license to use such improvements or modifications. Company may not increase the product cost to BST for products incorporating BST employees' suggested modifications or improvements to an amount greater than product cost increases resulting solely from the direct cost increase in producing the product as compared to the product cost without the BST suggested modifications or improvements.

31.SECTION HEADINGS

The section heading used herein are for convenience only, and shall not be deemed to constitute integral provisions of this Agreement.

32. ENTIRE AGREEMENT

This Agreement contains the full understanding of the parties (superseding all prior correspondence between the parties) and shall constitute the entire agreement between BST and Company and may not be modified or amended other than by a written instrument executed by both parties. Any preprinted provisions on Company's and BST's forms shall be deemed deleted.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate originals by their duly authorized representatives on the respective dates entered below.

COMPANY: BST

BELLSOUTH LONG DISTANCE, INC.

Name: _____
(Print or Type)

Title: _____

Date: _____

BELLSOUTH TELECOMMUNICATIONS, INC.

Name: _____
(Print or Type)

Title: _____

Date: _____

Appendix A

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COMPANY CONTACT ADDRESS:

COMPANY: BELLSOUTH LONG
DISTANCE, INC.
CONTACT NAME: DAVE CRAIG
TITLE: SENIOR MANAGER
ADDRESS: 32 PERIMETER CENTER
EAST
ATLANTA, GEORGIA 30346
PHONE: (770) 352-3042

EQUIPMENT, FACILITIES AND
SERVICES: Test Session One: Testing and
analysis of Lucent load test data on the
Lucent #5ESS DMS/SCP Interface Testing
Ongoing Testing: Selected Switches SCP's
New SPA's Scheduling and charges for
additional testing or retesting will be
negotiated as required.

Appendix B